

SECRET
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OFFICE OF RESEARCH AND REPORTS

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ANALYSIS DIVISION

MONTHLY REPORT FOR NOVEMBER, 1952

During November 1952 all branches of Analysis Division contributed substantial amounts of time and effort to further progress in the ORR contribution to NIE-65 which is due in ONE on 15 December 1952.

Consultation during November with a number of the leading Russian scholars in the United States has helped to "firm up" the index numbers constructed from production estimates as well as the process of extrapolating the various estimates through 1957.

Considerable progress was made in drafting and editing the ORR contribution to the EIC working group on economic capabilities, ORR project 110-51. It is planned to duplicate and distribute this working paper early in December, at which time the problem of obtaining the military contributions of "hot war" attrition rates will be reviewed.

A third project which occupied D/A during November was the preparation of the Supplement to NIE-64 (Part I). A preliminary draft of the economic portions of this estimate by D/A provided the basis for consultations with ONE and OIR. It is expected that the Supplement to NIE-64 will be completed during the first half of December.

Little progress was made in preparing the collapsed inter-industry flow table which was requested by WSEG early in November because of the emphasis given by D/A to completion of project 110-51 and the ORR contribution to NIE-65.

It is presently planned to forward to WSEG early in December the information requested of D/A.

BUDGET AND PLANS BRANCH

Accomplishments

1. The branch contributed to the national income research undertaken by the Survey Branch in its fact finding project on the Chinese economy.
2. The branch contributed to NIE-65, Section F, relating to the dispersal of industry in the USSR.
3. Report on economic planning in the USSR has been revised at the request of D/R.
4. Research on formal branch projects continued throughout the month.

Plans

1. Continued research on branch projects and preparation of draft outlines for projects due first quarter of 1953.
2. Contributions as required to Chinese national income study.
3. Work on revision of CIA/RR, IM-366 in conjunction with report on the 19th Congress of the Communist Party.

Personnel 25X1A9a

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1. [REDACTED] is Acting Chief of the branch, assisted by [REDACTED]

Problems

1. The persistent problems are inadequate space and limited professional and clerical assistance. The flow of Russian periodicals for use of the division and branch is utterly inadequate.

CAPABILITIES BRANCH

Accomplishments

1. Considerable progress was made toward completion of the ORR contribution to NIE-65. [REDACTED] consulted with [REDACTED] regarding aspects of the methodology and analytical techniques employed in the contribution to NIE-65. The consultations proved to be very valuable, and, while they did not result in material changes in the indexes which had been constructed, the consultations did result in refinements which materially will "firm up" the ORR contribution. Progress toward completion of component parts of the ORR contribution to NIE-65 was reported by [REDACTED] and it is expected that their sections will be completed early in December.

2. The drafting and division editing of the ORR working paper (ORR project 110-51) to be submitted to the EIC working group on Economic Capabilities was completed during November. The matrix tables and the sector papers comprising the ORR working paper are limited to "cold war" assumptions developed within ORR. It is anticipated that a revival of the EIC Working Group to consider the ORR contribution will focus attention on the failure of the military participants to furnish the "hot war" attrition rates which were scheduled early in 1952.

3. The AD/RR together with [REDACTED] drafted a revision of the economic portion of NIE-64 (Part I) for submission to ONE for inclusion in NIE-64 (Part I) Supplement which extends the original estimate through mid-1954. This draft contribution was subsequently the subject of frequent consultations with ONE and was also cleared with OIR. The Supplement to NIE-64 is scheduled for dissemination in mid-December, 1952.

Plans

1. The effort to complete the ORR contribution to NIE-65 will occupy the research and clerical capacities of the branch through the first half of December.

2. During the last half of December the consistency check of the ONI, G-2, and AFON contributions to NIE-65, using the matrix tables derived in ORR project 110-51 will occupy most of the research efforts of the branch.

25X1A9a [REDACTED] are scheduled to visit the research staff of [REDACTED] to discuss the methodology and analytical techniques employed in the ORR contribution to NIE-65.

Personnel

25X1A9a Word was received during November that [REDACTED] would join the branch in February 1953.

2. The shortage of clerical and stenographic personnel was accentuated by the work involved in completing the ORR contribution to NIE-65.

3. Colonel Sine, USA, who has been assigned to temporary duty with D/A and is expected to build up files of logistical information for ORR, has been fully cleared and has reported for duty.

4. [REDACTED] reported for duty as a clerk-typist.

Problems:

1. The major problem facing the branch is the shortage of clerical personnel. This problem will become particularly acute during the first half of December when strenuous efforts will have to be made to meet the deadlines for two large Office-wide projects, ORR project 110-51 and ORR contribution to

NIE-65. To meet these deadlines, A/C will have to have substantial amounts of temporary clerical assistance.

2. A/C's working conditions (physical) are abominable and there are no grounds for believing that they will not deteriorate in the near future as additional people report for duty.

ECONOMIC ACCOUNTS BRANCH

Accomplishments

1. Approximately 500 cards were added to the Estimates File. The file now contains about 12,500 cards bearing from 26,000 to 31,000 quantitative intelligence estimates.
2. An alphabetical index to the Estimates File was started.
3. The form for tabular presentation of data in the Handbook was revised. Work on the agricultural section is nearing completion. Data is being collected for other sections.
4. The DCI'S Blackbook has been prepared and turned over to D/R for publication. 25X1A9a
5. [REDACTED] has devoted his time during November to work on the EIC Capabilities Report. Since joining the branch on 14 November, [REDACTED] has been assisting the Capabilities Branch with its contribution to NIE-65. 25X1A9a
6. Approximately ten analysts from ORR have consulted the Estimates File during November.
7. The branch consulted with representatives of OIR and G-2 and coordinated activities of D/I and S/L in supplying [REDACTED] information requested. 25X1X7

Plans

1. During the month of December the branch will continue to process intelligence estimates into the Estimates File and to prepare statistical tabulations for the Handbook.

Personnel

25X1A9a During November [REDACTED] supervised daily operations of the branch. [REDACTED] provided all stenographic assistance with the exception of a few hours contributed by other D/A stenographers. [REDACTED] entered on active 25X1A9a

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duty November 12. [REDACTED] is expected to fill the junior analyst's job during December.

Problems

1. If additions to the Estimates File are to be made at scheduled rates, it is desirable that the vacant clerk typist, secretarial, and statistical clerk slots be filled as soon as possible. ✓

SURVEYS BRANCH

Accomplishments

1. Contributions to NIE-65 by the USSR and European Satellites sections.
2. Writing of reports for Task Force V, the Office-wide project on China, which are due on 15 December.
3. Completion of a study on the textile industry of China.
4. Continued research on national economic planning in East Germany and preparation of a terms of reference report for an Office-wide project on East Germany.
5. Consultations with ONE on terms of reference for proposed studies on the economy of China which may mature into National Intelligence Estimates.
6. Locational analysis of Soviet Bloc industry was initiated as a phase of NIE-65 and will be further developed with Office-wide assistance.

Plans

1. From 15 December to 15 January the China section will review and evaluate the results of the working group project on China and help the chairman of the group draft a report on its findings.
2. Terms of reference for Office-wide projects on China, East Germany and locational analysis will be elaborated in the near future.
3. Progress on the Handbook of the Soviet Bloc economies has been delayed on account of work on NIE-65, the China survey, and other projects with nearer deadlines. The work on the Handbook will get under way in December and January.

Personnel

1. The branch's personnel remains the same as given in the October report. The branch needs two research assistants in order to utilize the analysts' time more efficiently.

Problems

1. More floor space is needed to house the branch's personnel and files.